

Honduras is a beautiful country for an expansion, as it's filled with plenty of talent that's ready to come and work for your company. However, those talented candidates care about two very important factors — compensation and benefits. You need to either meet or exceed Honduras' compensation laws, and you also have to come up with a Honduras benefit management plan that provides both guaranteed and additional benefits to all employees.

With so much to worry about during an expansion, it can feel difficult to focus on just one element. Globalization Partners can help through Honduras compensation and benefit outsourcing. We'll ensure that you stay compliant while your employees get the compensation and benefits they deserve so that you can focus on building a new company location.

Honduras Compensation Laws

The Honduras minimum wage depends on the industry and the number of employees you have. For example, as of 2021, for an agricultural employee working for a company with 1 to 10 employees, the minimum monthly wage is 6,762.70 lempiras, while an employee working in manufacturing for a company of the same size, that rate is 9,068.81 lempiras. A collective bargaining agreement (CBA) or trade union may have separate laws to follow, so you should always check to see if your employees are covered under one of these agreements.

Another Honduras compensation law relates to benefits. You must give employees a 13th- and 14th-month bonus that's either listed as part of the salary in the employment contract or outlined under separate terms.

Guaranteed Benefits You Must Provide

Companies in Honduras must give employees the guaranteed benefits outlined in the country's employment laws, which includes 11 days off for Honduras' holidays and annual paid time off. Vacation time follows a schedule that depends on how long the employee has worked for the company. After the first year of employment, employees get 10 days of paid

vacation and up to 20 days after four years.

Female employees should receive at least six weeks of maternity leave before giving birth and six weeks after. During this time, they should receive 66% of their wages, averaged over the previous three months. Employers are also responsible for providing maternity leave pay if a woman is not covered by social insurance.

Dispersing Your Honduras Benefit Management Plan

A big part of dispersing your Honduras benefit management plan is giving employees supplemental benefits that they may expect. For example, while you must offer the statutory minimum for vacation time, many executives will negotiate additional time at the start of an employment agreement based on what they received from their previous employer. In general, you should budget about 40% for benefits on top of an employee's gross salary.

Restrictions for Compensation and Benefits

Traditionally, companies expanding to a new country had to set up a subsidiary before hiring employees and giving out compensation and benefits. Globalization Partners changes the process through Honduras benefit and compensation outsourcing. Instead of spending weeks or months trying to incorporate, take advantage of the fact that we can use our existing subsidiary to help you start working in a few days.

Partner With Globalization Partners

Globalization Partners can help take the stress out of compliance through our Honduras compensation and benefit outsourcing services. Contact us today to learn more.